

# LOCAL AGENCY FORMATION COMMISSION COUNTY OF SAN BERNARDINO

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**DATE: JANUARY 8, 2007**

**FROM: KATHLEEN ROLLINGS-McDONALD, Executive Officer**

**TO: LOCAL AGENCY FORMATION COMMISSION**

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**SUBJECT: AGENDA ITEM #9 – PENDING LEGISLATION**

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## **RECOMMENDATION:**

Staff recommends that the Commission receive the information provided on potential legislation and provide direction to staff on areas of interest for consideration by the CALAFCO Legislative Committee.

## **BACKGROUND:**

January 1, 2007 began a new year and a new legislative session for the State Senate and Assembly.

Legislation which became effective January 1, 2007 includes:

- The sunset of the Island Annexation provisions has been extended to January 1, 2014.
- The sunset for the provisions for consideration of the extension of service to previously unserved unincorporated territory and to review the creation of new service providers has been extended to January 1, 2013. This statute has been revised to indicate the Commission's ability to "review and comment" rather than "review and approve".
- The CALAFCO-sponsored Omnibus bill made non-controversial changes to the procedures of LAFCOs.
- AB 1602 allows newly-incorporated cities and cities that annex inhabited territory to get a special population calculation for the vehicle license fee

revenues – this special provision sunsets in 2009. It has been anticipated that a more permanent fix should be pursued in this new legislative session.

Each of these of legislative changes has been reviewed with the Commission over the past year.

Legislative activity for the new session has begun with a number of bills of interest to LAFCOs throughout the State identified. Attached to this report as Attachment #1 is a summary prepared by the CALAFCO Executive Officer of these bills. None of these directly affects the operations of LAFCO but several are identified as “placeholder” bills anticipated to be changed in the future. In addition, Attachment #2 is a summary of legislation of interest to the California Association of Special Districts (CSDA) and a listing of the new laws taking effect on January 1, 2007. This information is provided to us since we are a member of CSDA.

For the new year, the CALAFCO Legislative Committee will begin its work on a number of items, beginning with its first meeting scheduled for January 19<sup>th</sup>. As a member of the Legislative Committee, I will be participating in the discussions on the 19<sup>th</sup> as well as on the following committees:

- A committee has been formed to work with the Public Utilities Commission (PUC) on more clearly defining the practices and procedures for investor-owned utilities which provide the same types of services that a LAFCO-governed entity does. Areas of interest at present include:
  - Establishing requirements for the sharing of information during Municipal Service Reviews – there is currently no requirement for the investor-owned utility to share this information.
  - Clarification regarding the requirements for contact with LAFCO whenever a PUC-governed utility proposes to expand its “certificated service area” and to provide a clearer understanding by LAFCOs regarding the process for that change.
  - Establishing a network which includes representatives of the Department of Corporations – the agency which governs the expansion of mutual water companies, those which derive their service through the acquisition of shares – to share information regarding the location of existing facilities, the defined areas of service, and the anticipated area of service responsibility.

- A CALAFCO Legislative Subcommittee has been formed to look at the provisions regarding dissolution of agencies. This committee is made up of LAFCO Executive Officers, Legal Counsels, and the Executive Director of CALAFCO to look at rewriting these provisions for more clarity, acknowledgement of the limitations now imposed following passage of Prop. 218, and legal challenges to the authorities of LAFCO. I am participating on this subcommittee, along with EOs from Riverside, San Luis Obispo and Ventura, and Paul DeSousa from the BBK office in San Diego.
- I have been asked to participate on a committee to look at rewriting County Service Area Law by the Senate Local Government Committee Consultant, Peter Detwiler. This is anticipated to be an extended process culminating with a redrafting of the principal act for County Service Areas.
- A committee has been formed to look at concerns that have been expressed up and down the State that Government Code Section 56133 is ambiguous and difficult to interpret. For the past two years, the Legislative Committee has attempted to clarify the language of this provision and, once again, is looking to put forward a proposed amendment to its language.

As legislative positions are formed from these committees, I will bring back that information for the Commission's review, comment and position.

If there is a section of Cortese-Knox-Hertzberg that Commission members feel should be revised or additions needed to the statute, these can be discussed at the Commission hearing. No further action is required of the Commission at this time.

KRM

Attachments:

1. CALAFCO Legislative Report
2. CSDA Legislative Report and New Laws Taking Effect on January 1, 2007